

House and Senate Bills Relating to Life, Annuity, Credit, Accident, and Health Coverage 85th Texas Legislature, 2017

This listing MAY NOT INCLUDE all bills affecting your insurance business.

PART 1

Bills that May Require Action by Regulated Individuals and Entities

House Bills

[HB 10](#)

Parity of Coverage for Mental Health Conditions and Substance Use Disorders

Requires individual and group health plans that include coverage for mental health or substance use disorder services to provide such services in parity with coverage for medical or surgical services, with respect to both quantitative and nonquantitative treatment limits. The bill requires that TDI conduct a study and prepare a report on benefits for medical or surgical expenses and for mental health conditions and substance use disorders. TDI will expand form filing reviews to evaluate compliance with new parity requirements. No rules are immediately necessary for enforcement of the bill, but TDI will update its parity rules at Title 28 Texas Administrative Code Chapter 21, Subchapter P.

The bill takes effect September 1, 2017.

[HB 214](#)

Abortion Coverage

Prohibits a health benefit plan, including a qualified health plan offered through an exchange, from providing coverage for an elective abortion—which is defined as any abortion other than when performed due to a medical emergency.

Permits a carrier to offer supplemental coverage for abortion, if each enrollee has the opportunity to elect or decline such coverage, by providing a separate signature and an additional premium. Requires that the premium charged be calculated to cover the full cost of covered services, without accounting for any cost-savings within the major medical plan. Requires an issuer disclosure explaining enrollees' right to enroll in a plan without coverage for abortion.

The bill takes effect December 1, 2017, but is only applied to a qualified health plan offered through a health benefit exchange or a health benefit plan that is delivered, issued for delivery, or renewed on or after April 1, 2018.

[HB 490](#)

Coverage for Hearing Aids and Cochlear Implants

Requires individual and group health plans to provide coverage for medically necessary hearing aids, cochlear implants, and related services and supplies for children 18 years of age or younger. Coverage generally may be no less favorable than coverage provided for durable medical equipment for physical illness.

The bill takes effect September 1, 2017, but only applies to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2018.

[HB 1036](#)

Coverage for 3D Digital Mammograms (Breast Tomosynthesis)

Includes digital mammography and breast tomosynthesis as forms of low-dose mammography for which a health benefit plan that provides coverage to a female who is 35 years of age or older must provide coverage in an annual screening for the presence of occult breast cancer.

The bill defines "breast tomosynthesis" as a radiologic mammography procedure that involves the acquisition of projection images over a stationary breast to produce cross-sectional digital three-dimensional images of the breast from which applicable breast cancer screening diagnoses may be determined. The bill provides certain exceptions to the applicability of statutory provisions relating to mammography benefits.

The bill takes effect September 1, 2017, but only applies to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2018.

[HB 1227](#)

Formulary Transparency for Individual Plans

Removes the applicability of formulary transparency requirements to group plans. As a result of the enactment of HB 1227, TDI will not be enforcing the formulary transparency requirements for group health plans that were established by HB 1624, 84th Legislature, Regular Session, and 28 TAC Chapter 21, Subchapter V, Division 4. TDI intends to modify its rules to reflect that group health plans are not subject to these requirements.

The bill takes effect September 1, 2017.

[HB 1296](#)

Prescription Drug Synchronization

Requires individual and group health plans to provide a process by which an enrollee may obtain a partial supply of a medication at a pro-rated cost-sharing amount, in order to synchronize refills of maintenance medications. The bill also requires carriers to establish processes to approve medication synchronization plans. The requirements only apply to prescriptions for a chronic illness that need to be dispensed at the same time and that is a formulation that can be effectively dispensed in accordance with a synchronization plan.

The bill takes effect September 1, 2017, but only applies to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2018.

[HB 3218](#)

Health Maintenance Organization Contracts with Provider Networks

Permits HMOs to contract with provider networks, including pharmacy benefit managers.

The bill takes effect September 1, 2017.

[HB 3921](#)

Financial Exploitation of Vulnerable Adults

Provides regulatory authority to the Department of Family and Protective Services (DFPS) that is related to protecting vulnerable adults from financial exploitation. Requires employees of financial institutions – defined elsewhere to mean primarily banking institutions – to report suspected financial exploitation. Requires financial institutions to report suspected exploitation to the DFPS within the required timeline.

Permits a financial institution to place a temporary hold on a transaction if: 1) it has cause to believe there is suspected financial exploitation, and it has submitted a report of the suspected financial exploitation to DFPS; or 2) if a "hold" is requested by DFPS or by a law enforcement agency, potentially including the Texas Department of Insurance Fraud Unit.

Imposes requirements on any securities professional, including individuals such as Financial Industry Regulatory Authority brokers or licensed insurance agents that have cause to believe that financial exploitation of a vulnerable adult has occurred, or has been attempted. Allows a dealer or investment advisor to, in addition to notifying the Securities Commissioner or DFPS, notify a third party reasonably associated with the vulnerable adult of the suspected financial exploitation.

Provides immunity from civil or criminal liability under certain conditions. Permits DFPS, a law enforcement agency, a prosecuting attorney's office, or the Securities Commissioner to request a dealer or investment adviser provide copies of records relevant to the suspected financial exploitation of a vulnerable adult to the extent permitted by state or federal law.

The bill takes effect September 1, 2017.

Senate Bills

[SB 507](#)

Mediation Expansion

Expands mediation to cover all health care or medical services provided by out-of-network facility-based providers at in-network facilities, and all emergency care providers at any facility.

The bill requires providers covered by the mediation statute to include a mediation notice in their bills to patients.

The bill expands mediation to apply to the Teacher Retirement System of Texas. Note that HB 1428 does the same.

The bill takes effect September 1, 2017, but only applies to a claim for health care or medical services or supplies provided on or after January 1, 2018.

[SB 561](#)

Unclaimed Life Insurance and Annuity Contract Proceeds

Requires life insurance companies and annuity companies to compare the Death Master File against their life insurance, annuity, and retained asset customer records every six months and to identify any matches. In the event of a match, insurers are required to conduct outreach to their beneficiaries within 90 days to assist them with making a claim. If the beneficiary cannot be located, the policy proceeds must be sent to the Texas Comptroller of Public Accounts. The bill does not apply to certain products, such as policies obtained through employers and policies obtained through other groups where the insurer does not provide recordkeeping services.

The bill takes effect September 1, 2017, but only applies to insurance policies or annuity contracts delivered, issued for delivery, or renewed on or after January 1, 2018.

[SB 679](#)

Authority of Chiropractors to Form Corporations

Allows chiropractors licensed by the Texas Board of Chiropractic Examiners to jointly form and own a professional association or a professional limited liability company to perform professional services that fall within the scope of their practice.

The bill takes effect June 1, 2017.

[SB 680](#)

Step Therapy Protocols in Connection with Prescription Drug Coverage

Establishes standards for clinical review criteria used to administer a prescription drug step-therapy protocol, and requires health plans to establish a process through which a patient or provider may request an exception to a step-therapy protocol. The bill specifies the circumstances under which a plan issuer is required to grant such a request.

The bill requires a health benefit plan issuer's determination of a step-therapy protocol exception request be made within 72 hours after receipt, and establishes that an exception request is considered granted if a health benefit plan issuer does not deny the request within that time frame. If a provider believes denial of the request makes the death of, or serious harm to the patient probable, the exception request is considered

granted if the health benefit plan issuer does not deny the request before 24 hours after its receipt of the request. Denials of exception requests are considered an adverse determination and qualify for an expedited appeal.

The bill takes effect September 1, 2017, but only applies to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2018.

[SB 1076](#)

Prohibition on Clawbacks; Early Refills of Prescription Eye Drops

Prohibits a health plan or its pharmacy benefit manager from requiring an enrollee to pay more for a prescription drug at the point of sale in an amount that is the lesser of: 1) the applicable copayment, 2) the allowable claim amount, or 3) the amount the individual would pay without using health coverage or discounts.

The bill also requires health plans to permit early refills of prescription eye drops.

The bill takes effect September 1, 2017, but applies only to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2018.

[SB 1107](#)

Telemedicine and Telehealth Services

Specifies that a health plan may not exclude coverage for a covered health care service or procedure delivered by a preferred or contracted provider as a telehealth or telemedicine service solely because the service is not provided through an in-person consultation. Health plans are not required to cover services provided through audio-only, text-only, or fax-only interactions. Health plans must display their policies and payment practices for telemedicine and telehealth services on their website.

The bill is effective May 27, 2017, except the amendments to the Insurance Code are effective January 1, 2018.

[SB 1171](#)

Texas Health Reinsurance System Reactivation and Suspension

Permits the suspension and reactivation of the Texas Health Reinsurance System. The bill relates to a TDI biennial report recommendation and a recommendation of the Reinsurance System Board, based on the fact that the Reinsurance System has not reinsured any lives since 2012. The bill requires the Reinsurance System Board to submit a plan of suspension within 90 days of the effective date of the bill.

When not operating, the bill allows the commissioner to hold a hearing to authorize operation of the system if the commissioner believes: 1) Texas small employer health plan issuers are threatened with the inability to secure reinsurance coverage, or 2) if a petition requesting a hearing from an association or group of at least 15 small employer issuers operating in this state is received by the commissioner. If, after the hearing, the commissioner finds the operation of the Texas Health Reinsurance System is in the public's best interest, the commissioner may fully implement the system within sixty days of issuing an order.

If the Texas Health Reinsurance System is operating and the commissioner: 1) believes small employer health plan issuers are no longer threatened with the inability to secure reinsurance coverage; or 2) if the specified group of small employers issues a similar petition requesting a hearing, the commissioner may hold a hearing to see if a suspension of operation is in the public's interest. The commissioner may then issue a suspension of operation order, which would have to meet the criteria specified in the bill and occur within 60 days of the order date.

The bill is effective May 23, 2017.

[SB 1406](#)

Authority of the Commissioner to Request a State Innovation Waiver

Authorizes the commissioner to apply to and negotiate with the United States Secretary of Health and Human Services to obtain a waiver for small employer health benefit plans in order to waive the actuarial value requirements and related levels of health plan coverage requirements under the Patient Protection and Affordable Care Act.

The bill is effective May 23, 2017.

[SB 1492](#)

Long-term Care Premium Rate Stabilization

Provides the commissioner flexibility to adopt long-term care rating requirements that deviate from national long-term care rate-stabilization models.

The bill is effective September 1, 2017.

[SB 1633](#)

Provision of Pharmacy Services Through a Telepharmacy System

Defines terms, expands the criteria for telepharmacy systems, and requires the Texas State Board of Pharmacy to adopt rules, not later than January 1, 2018, regarding the use of a telepharmacy system.

The bill is effective September 1, 2017.

[SB 2087](#)

Creation of a Temporary Health Insurance Risk Pool

Provides for the creation of a temporary health insurance risk pool, reinsurance program, or other program to enable TDI to seek federal funding if it becomes available, and to seek any waivers of federal law necessary to create the program. The purpose of the bill is to provide a temporary mechanism for maximizing available federal funding to assist Texas residents in obtaining access to quality health care at minimum cost.

The bill specifies the funding mechanisms that TDI may use for the costs of implementing the temporary pool. It prohibits the commissioner from using any other state funding for the pool that is not appropriated for the pool. The bill prohibits using the pool to expand Medicaid and the Medicaid managed care programs.

The bill provisions expire on August 31, 2019.

The bill is effective June 12, 2017.

PART 2

Bills that Could Require Action in Particular Circumstances

House Bills

- [HB 810](#) Relating to the provision of certain investigational stem-cell treatments to patients with certain severe chronic diseases or terminal illness.
- [HB 1073](#) Relating to provisional permits for certain insurance agents.
- [HB 1197](#) Relating to the training period for a temporary insurance agent's license.
- [HB 1428](#) Relating to mediation of the settlement of certain out-of-network health benefit claims involving balance billing for members of the Teacher Retirement System of Texas.
- [HB 1774](#) Relating to insurance claims and certain prohibited acts and practices in the business of insurance.
- [HB 1944](#) Relating to captive insurance companies.
- [HB 2113](#) Relating to the regulation of certain companies that provide for-profit legal service contracts.
- [HB 2891](#) Relating to the medical authorization required to release protected health information in a health care liability claim.
- [HB 3078](#) Relating to transfer of the regulation of podiatry to the Texas Department of Licensing and Regulation.
- [HB 3276](#) Relating to notice of health benefit plan provider network status provided by certain freestanding emergency medical care facilities.

Senate Bills

- [SB 654](#) Relating to the participation of an advanced-practice registered nurse as a primary care or network provider for certain governmental and other health benefit plans.
- [SB 1012](#) Relating to notification by an insurer of certain disciplinary actions imposed on the insurer for a violation of the insurance laws of another state.
- [SB 1070](#) Relating to authorized reinsurance and financial statement credit and accounting for reinsurance.
- [SB 1148](#) Relating to maintenance of certification by a physician or an applicant for a license to practice medicine in this state.